

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF: Malleswara Rao Tuthika**

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) **File No. 1200056**  
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**ORDER OF PROHIBITION**

**TO RESPONDENT:** Malleswara Rao Tuthika  
(CRD#: 5131117)  
234 Signature Drive  
Bloomington, Illinois 60108

Malleswara Rao Tuthika  
407 Ogden Ave.  
Clarendon Hills, Illinois 60514

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on March 12, 2012, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

**Background Facts**

1. Respondent Malleswara Rao Tuthika is a natural person with the last known home address in Illinois.
2. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson and investment advisor in the State of Illinois pursuant to Section 8 of the Act until August of 2011.

Order of Prohibition

-2-

3. That on July 26, 2011, FINRA entered a Default Decision regarding FILE NO. 200801424201, which barred Respondent from association with any member firm in any capacity.
4. That on August 23, 2011, FINRA's Default Decision was rendered a Final Decision, barring the Respondent from the Association with any FINRA member in any capacity.
5. That the FINRA Order stated: Respondent exercised discretion in customers' accounts without written customer authorization, and without approval of the account as discretionary by his firm, in violation of NASD Conduct Rules 2510 and 2110. Respondent also recommended and executed unsuitable mutual fund switch transactions, in violation of NASD Conduct Rules 2310 and 2110, and IM-2310-2. For these violations, Respondent is barred from associating with any member firm in any capacity."
6. That Respondent lists the following on his LinkedIn public profile:  
"Director of Business Investments (Advising World's Richest People & Forbes Global 2000 Companies) at Confidential Wall Street firm near New York Stock Exchange, USA Director of Social Investments (Investing in America's Education & Job Creation Projects) at USCHARITIES.ORG"
7. That Respondents public LinkedIn information fails to disclose that he is not registered as a dealer/broker and/or investment advisor/investment advisor representative in the State of Illinois.
8. That Respondents public LinkedIn information fails to disclose that FINRA has barred him from the industry.
9. That Respondents public LinkedIn information fails to disclose any the violations of FINRA/NASD Rules of Conduct.

**Count I**  
**815 ILCS 5/12.J Violation**

- 1-9. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 9 of the background facts.
10. That Respondent touted his investment abilities on a public website of LinkedIn.
11. That Respondent by failing to disclose that he is not registered as a dealer/broker and/or investment advisor/investment advisor representative.
12. Section 12.J of the Act states: "When acting as an investment advisor, investment advisor representative, or federally covered investment advisor, be any means or instrumentality, directly or indirectly: (1) to employ any device, scheme or artifice

Order of Prohibition

-3-

to defraud and client or prospective client; or (2) To engage I any transaction, practice, course f business which operates as a fraud or deceit upon any client or prospective client; or (3) to engage in any act, practice, or course of business which is fraudulent, deceptive or manipulative.” 815 ILCS 5/12.J.

13. By virtue of this foregoing conduct, Respondents violated Sections 12.J of the Act.

**COUNT II**  
**815 ILCS CS 5/12.C Violation**

- 1-9. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 9 of the background facts.
10. That Respondent failed to disclose that he is not registered as a dealer/broker and/or investment advisor/investment advisor representative
11. Through the conduct described in above, the Respondent acted as a an investment advisor and/ or investment advisor representative stating that he currently is “Advising World’s Richest People & Forbes Global 2000 Companies”.
12. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson or investment adviser unless registered such, where such registration is required under this Act.
13. That at all relevant times, the respondent was not registered as a dealer and/or salesperson or investment adviser under the Act.
14. That by acting as a an investment advisor and/ or investment advisor representative in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
15. By virtue of this foregoing conduct, Respondent violated Sections 12.C of the Act.
16. The aforementioned findings are based upon credible evidence.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State’s Conclusions of Law as follows:

Respondents violated Sections 12C, and 12.J of the Act.

Order of Prohibition

-4-

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, the Respondent, Malleswara Rao Tuthika, **shall be and is hereby PERMANENTLY PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This ~~21~~<sup>20th</sup> day of April 2012



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

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